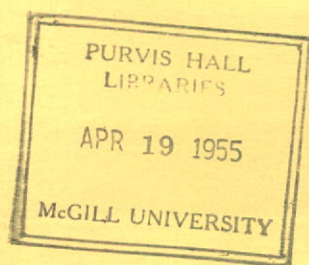
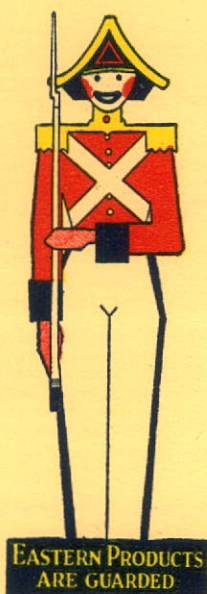


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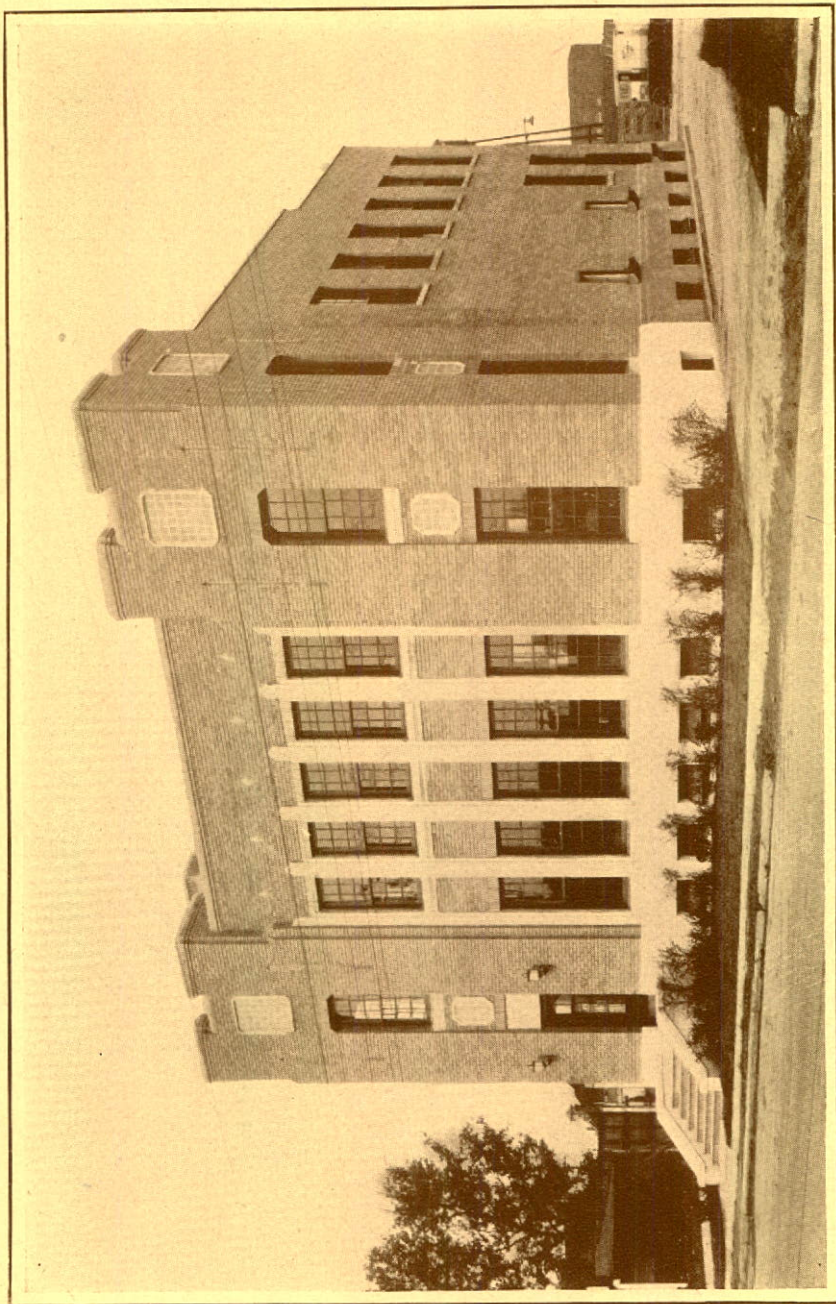
EASTERN DAIRIES LIMITED



**Annual Report
for the year ending
31st March, 1932**

EASTERN DAIRIES, LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED
MARCH 31st,
1932.



NEW PLANT OF ACME FARMERS DAIRY, LIMITED
797 BARTON ST. EAST, HAMILTON, ONTARIO.

EASTERN DAIRIES, LIMITED

OFFICERS

President and Managing Director

W. R. AIRD, Montreal

Vice-President

P. A. THOMSON, Montreal

DIRECTORS

W. R. AIRD Montreal

A. J. NESBITT Montreal

C. B. PRICE Montreal

P. A. THOMSON Montreal

H. R. TRENHOLME Montreal

E. W. KING, Secretary-Treasurer

Fiscal Agents

NESBITT, THOMSON & COMPANY, LIMITED

Transfer Agents

MONTREAL TRUST COMPANY

Auditors

P. S. ROSS & SONS

EASTERN DAIRIES, LIMITED

To the Shareholders:

YOUR Directors have pleasure in submitting their Annual Report covering the operations of your Company and its Subsidiaries for the year ended March 31st, 1932, accompanied by a Consolidated Statement of Assets and Liabilities, duly certified by the Company's auditors.

The net profits from operations for the year, and for the previous fiscal year ended March 31st, 1931, are as follows:

	1931	1932
Operating Profit	835,379.79	801,689.04
Less: Bond Interest	180,000.00	180,000.00
Premium paid and accrued on U.S.A. funds for Bond Interest		19,247.64
Depreciation	200,000.00	200,000.00
Bond Discount and Expense	10,453.84	10,453.84
	<u>\$444,925.95</u>	<u>\$391,987.56</u>

It will be noticed that considerable expense was incurred through having to pay interest on your Company's bonds in United States funds. Net Profits after providing for Bond Interest, Depreciation and Preferred Stock Dividends amounted to \$97,987.56, or \$1.10 per share on the 89,099 shares of the Common Stock of the Company issued and outstanding up to March 31st, 1932.

Dividends on the Common Stock of the Company were declared at the rate of \$1.00 per share per year, and accordingly dividends at the rate of 25c per share were paid for the quarters ending June 30th, 1931, September 30th, 1931, December 31st, 1931 and March 31st, 1932.

The decrease in the earnings of your Company is due to the continued unsatisfactory conditions prevailing throughout the country, and the consequent lack of buying power. These conditions have been acute in the City of Winnipeg and the earnings of your subsidiary in that city were considerably reduced. While the volume of products sold has been well maintained the value of sales was reduced due to lower prices and the lack of demand for Cream, Ice Cream and other higher priced products.

Values of dairy products have been abnormally low throughout the world. This condition affected the export sales of Powdered Milk, Condensed Milk and other By-Products. Canadian sales of these products were considerably higher than any previous year, and your Directors expect that these sales will, during the current year, overcome the reduction in the export business.

EASTERN DAIRIES, LIMITED

Your Directors have made every endeavour to reduce expenses, consistent with the maintenance of efficient service and the production of only high quality dairy products. Plants have been maintained in excellent condition to protect the high standard of the products produced, and efforts have been continued to maintain a profitable growth in the business of your Subsidiaries.

The new dairy plant of Acme Farmers Dairy, Limited, Hamilton, was officially opened on November 16th, 1931. Sales in the City of Hamilton have shown a consistent increase, and your Directors are confident that this modern plant will be a valuable asset to your Company. The cost of the new plant was financed from the Working Capital as at March 31st, 1931, and is reflected in the increase in the value of the Fixed Assets.

The Current Position of your Company has been well maintained. During the year a large number of the employees took advantage of an offer to purchase shares of the Common Stock of the Company, and the balance due on these shares, as shown in the Balance Sheet, are payable in monthly instalments ending in December 1932. The experience of your Company with regard to the collection of Accounts Receivable has been very satisfactory, and your Directors consider the Reserve ample to meet any normal losses which may occur. Inventories of products and supplies are recorded in the Balance Sheet at \$142,138.78, as compared with \$171,129.35 at the end of the previous year.

The Market Values of the Securities owned by your Company have decreased in common with all security values. These securities consist of Government, Public Utility and Industrial Bonds, and Preferred and Common Stocks.

The amount of \$200,000.00 reserved for Depreciation is the same as in previous years, and your Directors consider that this amount is sufficient in view of the excellent condition in which the plants are maintained.

Your Directors consider the results of the year satisfactory in view of the conditions prevailing in the dairy industry.

The officers and staff have continued to render the same efficient service as in the past and your Directors take pleasure in expressing appreciation of their cooperation.

Submitted on behalf of the Board.

W. R. AIRD,
President.

EASTERN DAIRIES, LIM

CONSOLIDATED

AT MARCH

ASSETS

Current:

Cash on Hand and in Banks.....	\$ 77,195.84	
Accounts Receivable, less Reserve for Bad Debts.....	328,421.47	
Deferred Accounts Receivable.....	62,877.19	
Inventories of Products and Supplies.....	142,138.78	
Investment Securities at Cost.....	\$577,354.76	
The aggregate value of these securities based upon available Market Quotations, or in the absence thereof, upon estimated Fair Values, was approximately \$170,192.76 less than the above Book Value at 31st March, 1932.		
Balances of Agreements of Sale.....	36,088.50	
	613,443.26	
Accrued Interest thereon.....	8,524.50	
		621,967.76
Due on Employees' Stock Subscription.....	45,233.61	
(receivable during 1932)		
Investments held in Trust.....	17,200.00	
Cash Surrender Value—Life Insurance.....	8,935.17	
		<u>\$1,303,969.82</u>

Fixed:

Land, Buildings, Plant, Machinery, Equipment, Furniture and Fixtures (at replacement values new, as established by the Canadian Appraisal Company Limited, with subsequent additions at cost).....	7,335,326.34
Prepaid and Deferred Expenses.....	67,032.75
Bond Discount and Organization Expenses.....	180,020.81
Goodwill (being excess of Purchase Price of Affiliated Companies over total Book Value of Capital Stocks, and Surpluses thereof at date of acquisition).....	2,222,789.87
	<u>\$11,109,139.59</u>

Auditors' Cert

Approved on behalf of the Board:

W. R. AIRD (Director)

H. R. TRENHOLME (Director)

We have compared the financial statements of Eastern Dairies, Limited and its Subsidiaries for the year ended March 31, 1932, and we certify that they are in accordance with the explanations given.

ITED AND SUBSIDIARIES

BALANCE SHEET

1 31ST, 1932

LIABILITIES

Current:

Bank Loans.....	\$ 91,200.00	
Accounts Payable and Accrued Liabilities.....	331,224.73	
Mortgage Payable.....	2,500.00	
Unredeemed Tickets.....	22,506.65	
Salesmen's Deposits.....	56,268.53	
Dividends Payable.....	83,524.75	
Accrued Bond Interest.....	75,000.00	
		\$ 662,224.66
Deferred Revenue.....		11,725.99
Reserve for Depreciation.....		1,499,951.85

Capital of Affiliated Companies in hands of the Public:

Crescent Creamery Company Limited		
7% Cumulative Preferred Stock (Callable at 105% upon 30 days' notice)		
Authorized, 14,500 shares of \$100.00 each		
Issued and Outstanding, 10,000 shares.....	1,000,000.00	
Acme Farmers Dairy Limited—		
7% Cumulative Preferred Stock		
Authorized, 7,500 shares of \$100.00 each		
Issued and Outstanding, 7,000 shares.....	700,000.00	
		1,700,000.00
Six Per Cent. Twenty Year First Collateral Trust		
Convertible† Bonds Series "A", due 1st May, 1949.....		3,000,000.00

Capital:

7% Cumulative Preferred Stock (Callable at 105% upon 30 days' notice)		
Authorized, 50,000 shares of \$100.00 each		
Issued and Outstanding, 25,000 shares.....		2,500,000.00
Common Stock:		
Authorized, 200,000 shares of No Par Value		
Issued and Outstanding, 89,099 shares.....	1,380,515.00	
Subscribed and Allotted, 4,852 shares.....	97,040.00	
		1,477,555.00
Surplus—Subject to Federal and Provincial Taxes.....		257,682.09

\$11,109,139.59

†48,000 Common Shares of No Par Value reserved for Conversion purposes.

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and the above Consolidated Balance Sheet at 31st March 1932 with the books and records of Eastern Dairies, Limited and its subsidiaries, with the exception of The Producers Dairy, Limited, for which we have received certified statements. In our opinion, the attached Consolidated Balance Sheet has been drawn up so as to set forth a true and correct view of the financial position of Eastern Dairies, Limited, and its Subsidiaries at 31st March 1932, according to the best of our information, the information furnished to us and as shown by the books of the Companies examined by us and the certified statements given to us.

P. S. ROSS & SONS,
Chartered Accountants.

EASTERN DAIRIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED SURPLUS ACCOUNT AT 31st MARCH 1932

Balance at Credit 31st March, 1931, subject to Income Tax	\$248,793.53
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ADD:

Net Profit for the year ended 31st March, 1932, before providing for Bond Interest, Depreciation and Income Tax	\$801,689.04
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LESS:

Bond Interest	\$180,000.00	
Premium Paid and Accrued on U.S.A. Funds for		
Bond Interest	19,247.64	
Depreciation	200,000.00	
Amortization of Bond Discount and Expense	10,453.84	
	409,701.48	
		391,987.56
		640,781.09

LESS: Dividends on:—

Preferred Shares	294,000.00	
Common Shares	89,099.00	
	383,099.00	

Balance at Credit 31st March, 1932, subject to Federal and Pro- vincial Taxes	\$257,682.09
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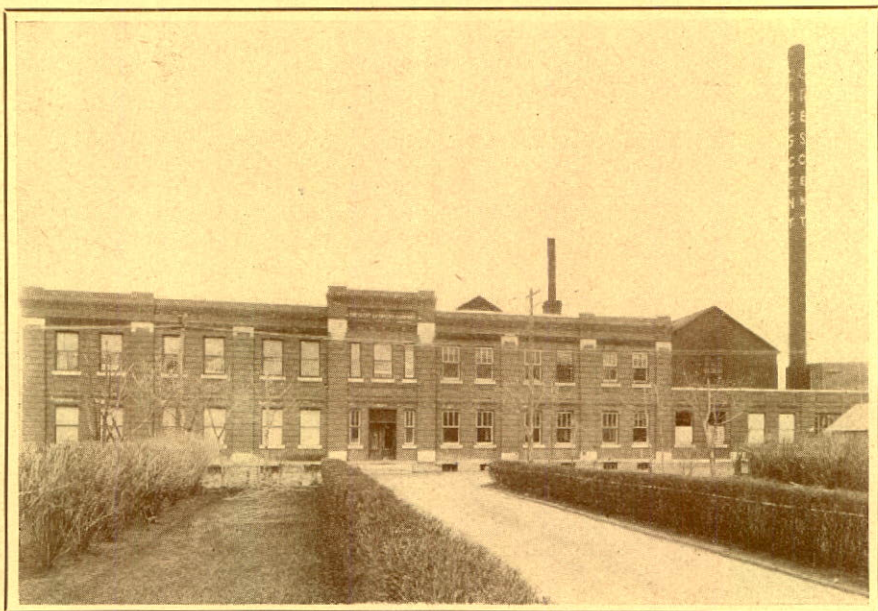


Main Plant
Acme Farmers Dairy, Limited

ACME FARMERS DAIRY, LIMITED
TORONTO, ONT.

Main Plant	Walmer Road & Bridgman Street
Ice Cream Plant	254 Berkeley Street
Distributing Depot	2359 Danforth Avenue
“ “	Centre Island
Powder and Condensing Plant	Napanee, Ont.
Powder and Condensing Plant	Sydenham, Ont.
Storage Plant	21 Essex Avenue

HON. GEO. S. HENRY, PRESIDENT



Main Plant
Crescent Creamery Co., Limited

**CRESCENT CREAMERY COMPANY, LIMITED
WINNIPEG, MAN.**

Main Plant	542 Sherburn Street
Ice Cream Plant	86 Burnell Street
Storage Plant	85 Lombard Street
Distributing Depot	Le Pas, Man.
“ “	Fort William, Ont.
“ “	Pine Falls, Man.
Branch	Killarney, Man.
“	Portage la Prairie, Man.
“	Swan River, Man.
“	Vita, Man.
“	Yorkton, Sask.
Receiving Station	Giroux, Man.
“ “	Ste. Anne, Man.
“ “	Letellier, Man.
“ “	Oak Island, Man.
“ “	Steinback, Man.
“ “	La Broquerie, Man.

F. J. DONEGANI, VICE-PRESIDENT AND MANAGING DIRECTOR



Main Plant
Elmhurst Dairy, Limited

ELMHURST DAIRY, LIMITED
MONTREAL, QUE.

Main Plant	7460 Western Avenue
Distributing Depot	101 River Street, Verdun
“ “	6240 Hutchison Street, Outremont
Creamery	Richmond, Que.
“	L'Avenir, Que.

C. B. PRICE, MANAGING DIRECTOR



Main Plant
The Producers Dairy, Limited

THE PRODUCERS DAIRY, LIMITED
OTTAWA, ONT.

Main Plant	275 Kent Street
Garage and Stables	28 Arthur Street
Creamery	Almonte, Ont.
“	Shawville, Que.
Cheese Factory	Ramsay, Ont.

BOWER HENRY, PRESIDENT AND MANAGING DIRECTOR

